

MOTION BY SUPERVISOR GLORIA MOLINA

September 16, 2003

**AMENDMENT TO ITEM NO. 55 - County Budget Accountability**

The Los Angeles County Board of Supervisors has had to make many painful fiscal decisions this year in order to balance its budget and avoid a complete financial meltdown. Recently, however, L.A. County has experienced significant deviations from its budget well after major cuts have already been made. For instance, our Public Library Department originally informed the Board that L.A. County faced a potential closure of libraries and reduction of services due to budget constraints. In response, I introduced a motion in June 2003 to identify \$7 million to keep libraries open. Just months later, the Library Department informed the Board that it actually possessed more than \$4 million of surplus revenue. Another example: The Board made the agonizing decisions to close clinics and downsize several hospitals earlier this year only to learn in June 2003 that the Department of Health Services had discovered a \$103.3 million increase in operating surplus.

MOTION

Molina	_____
Yaroslavsky	_____
Knabe	_____
Antonovich	_____
Burke	_____

The Board has struggled to make difficult but fiscally prudent decisions, while seeking to minimize the impact on services many residents utilize. However, we cannot make sound decisions unless Department Heads and the Chief Administrative Office provide the Board with improved data and information. To remedy this problem, the Chief Administrative Office must develop a tool to ensure the accuracy of the proposed budget before cuts are made to services.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Adopt the Chief Administrative Office's recommendation on the Library Department's surplus, by allowing \$1.6 million in operating reserves to replace \$1.6 million lost in State funds and that be earmarked for materials; and
2. Instruct the Chief Administrative Office in conjunction with County Departments to provide a detailed explanation of all budget variances and the impact on the adopted budget decisions on a quarterly basis including trend analyses based on prior year expenditures and receipts; and
3. Direct the Chief Administrative Office to provide a detailed analysis of what internal procedural changes and controls are needed to better monitor the budget throughout the fiscal year. This analysis should determine if revenue and expenditure estimates are on target before the board makes any decisions to cut or curtail programs in future budget deliberations; and
4. Direct the Chief Administrative Office to report back to the Board within 90 days on how they are going to implement the new and improved budget planning process.